The Virgin Islands Consortium

Inspector General Audit Finds Missing Taxi Medallions, Improper Licenses, and Years Without Inspections at V.I. Taxicab Commission

A new Inspector General audit found 13 missing taxi medallions valued at least $286,000, licenses issued to applicants who failed or never took required exams, and more than a decade without mandatory inspections of vehicles for hire in the USVI.

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A new audit by the Office of the V.I. Inspector General has identified serious administrative failures within the Virgin Islands Taxicab Commission, including missing taxi medallions valued at hundreds of thousands of dollars, licenses issued to applicants who failed or never took required exams, and the absence of mandatory inspections of taxis for more than a decade.

The findings are outlined in the Inspector General's audit of the administrative functions of the Taxicab Commission, which examined the agency's operations from fiscal years 2018 through 2022. The audit sought to determine whether the Commission properly authorized taxi licenses, inspected vehicles for hire, and maintained accurate records related to medallions, collections, and expenditures.

Investigators concluded that the Commission failed to consistently follow established laws, policies, and procedures governing medallion management, licensing requirements, inspections, enforcement, and revenue collections.

The Virgin Islands Taxicab Commission was re-established as a semi-autonomous agency in 2007 under Act No. 6968 of the Virgin Islands Code. The agency operates separately from the Department of Licensing and Consumer Affairs and is governed by a nine-member board, with an executive director responsible for day-to-day operations.

The Commission regulates the territory's taxi industry by issuing medallions, approving taxi operator licenses, and conducting inspections of vehicles operating for hire. Taxi operators must either own or lease a medallion and hold a valid taxi license in order to operate legally.

Medallions serve as the legal authorization to operate a taxi and are considered income-producing assets that may be used as collateral by lending institutions. Each medallion carries a unique registration number and corresponds to a specific set of Virgin Islands license plates issued for a vehicle used for hire.

The Commission generates revenue through business license fees, taxi badge renewals, leases, medallion sales, and other services provided to taxi operators.

Missing Medallions and Damaged Records

One of the most significant findings in the audit involved the Commission's medallion registry system and inventory controls.

Auditors determined that officials failed to properly preserve the physical condition of some medallion registry books and did not maintain complete and accurate information in registries and owner files. In the St. Thomas–St. John district in particular, registry books were found in deteriorated condition, with pages torn, mold-covered, detached, or misplaced. Some pieces of records were reportedly inserted between unrelated pages, raising concerns about the preservation and reliability of critical documents.

To verify the accuracy of medallion records, auditors conducted an inventory count and reviewed selected entries in the registries. As of February 2024, the Commission had issued 1,958 medallions across the territory, including 1,274 for St. Thomas, 169 for St. John, and 515 for St. Croix.

During the review of 70 medallions, investigators found that 13 had recording exceptions. In some cases, medallions were not recorded in the registry at all, while others lacked information identifying ownership or status. Some registry pages were missing or torn, while others were detached and misplaced.

The audit also revealed that 13 unsold medallions are missing from the Commission’s inventory. All of the missing medallions were designated for St. Thomas.

Twelve of those medallions had already been reported missing in a 2005 audit of the agency, meaning that one additional medallion has gone missing since that time.

Based on the average price of $22,000 paid for medallions sold between 2018 and 2022, investigators estimated the value of the missing medallions at at least $286,000.

Owner Files Lacked Required Documentation

Auditors also examined medallion owner files to determine whether required documents were maintained for transactions involving sales, transfers, liens, and auction purchases.

Of 57 medallion transactions reviewed from fiscal years 2018 through 2022, investigators found that 31 owner files — or 54 percent — lacked required supporting documentation.

Missing documents included Social Security cards, proof of citizenship, traffic and police records, character reference letters, and proof of residency.

In some cases, transactions appeared to have been approved without documentation verifying that buyers met eligibility requirements. One medallion sale finalized in December 2020 involved a bill of sale that was not signed by a Commission official and did not follow the Commission’s standard documentation process.

The audit also found discrepancies in lien records. In one instance, a lien release document showed the lien had been released, but the registry recorded the transaction as a new lien. In another case, the registry recorded a lien release despite the absence of any supporting documentation in the owner’s file.

Auction Irregularities

Investigators also identified irregularities in the auction process used to sell taxi medallions.

Officials accepted deposits and final payments after established deadlines and accepted a business check that was returned for insufficient funds. The audit found that a total of $22,101 in payments was accepted after required deadlines.

In another case, the Commission collected a $200 overpayment for a medallion sold at auction but found no evidence that officials attempted to return the excess payment.

The audit also found that certificates of entitlement and medallions were sometimes issued months after payments were completed.

Between 2017 and 2022, the Commission sold 17 medallions to veterans of the Virgin Islands. However, nine of the buyers did not receive their certificates of entitlement and medallions within the required 10-day timeframe after the auction sale.

In several cases, issuance delays reached up to seven months, and in one instance the delay extended to 33 months.

Taxi Licenses Issued to Applicants Who Failed Exams

Another major finding involved the approval of taxi licenses.

Between 2018 and 2022, the Commission approved 10 taxi licenses for applicants who either failed the required written exam or had no evidence of taking the exam at all.

The licensing process requires applicants to score at least 75 percent on the written exam and pass a driving test. Applicants are allowed three attempts to pass before being required to retake the certification program.

According to the audit, seven applicants who failed the written exam were nevertheless granted taxi licenses. In addition, three individuals received approval despite there being no record that they had taken the exam.

In some cases, approval letters signed by a former executive director were issued shortly after applicants failed the test.

One applicant failed the written exam on January 13, 2021, yet an approval letter authorizing the taxi license was signed the following day. The applicant received a taxi license four months later.

Another applicant failed the exam on June 30, 2020, but received approval seven months later without evidence of retaking the test.

In another case, the Commission's file contained a handwritten note stating "Did not take test," yet the applicant still received approval to obtain a taxi license.

The report also noted that approximately 20 suspected illegal taxi licenses were referred to the Department of Justice for investigation.

No Biannual Taxi Inspections for Years

The audit found that the Commission did not conduct required biannual inspections of vehicles for hire during the audited period of 2018 through 2022.

Investigators determined that the inspections had not been conducted as early as 2008, indicating a period of at least 14 years without the mandated inspections.

Under Virgin Islands law, the Commission is authorized to collect a $15 fee for each inspection and inspectors are authorized to issue citations for violations of taxi regulations.

Because the inspections were not performed, auditors estimated the Commission lost at least $170,310 in inspection fee revenue between 2018 and 2022.

The lack of inspections and enforcement also raised safety concerns for passengers and the public.

Decline in Enforcement and Staffing Shortages

The audit found that the Commission's enforcement capacity had significantly deteriorated over time.

Between 2009 and 2015, the Commission employed at least six taxi inspectors. However, from 2018 through 2022 the agency operated with only three inspectors, two assigned to the St. Thomas–St. John district and one assigned to St. Croix.

By 2025, the Commission had no taxi inspectors on staff.

This staffing shortage also affected enforcement activity. Citation revenues declined by 94 percent over the audited period, falling from $16,265 in 2018 to $950 in 2022.

Inspectors interviewed during the audit said they were often assigned administrative duties in the office due to staffing shortages, limiting their ability to conduct patrols and enforce regulations.

Financial Management Issues

Auditors also identified problems in the Commission's handling of revenue collections and accounting.

Officials failed to deposit $44,622 in collections within the required timeframe and did not post $258,342 in revenues to the government's Enterprise Resource Planning system in a timely manner.

In addition, $54,811 from medallion sales was never posted to the accounting system.

Investigators also identified an $18,587 discrepancy between cash receipts deposited and the amounts recorded in the accounting system.

Late deposits ranged from two days to as long as 35 days, and some revenue entries were recorded up to seven months after payments were received.

The Commission also failed to reconcile daily collections, making it difficult to identify discrepancies and increasing the risk of financial mismanagement.

The Inspector General's office indicated that unresolved discrepancies will be referred to its investigation unit for further review.

Expenditures Found to be Proper

Despite the administrative and financial issues identified in the audit, investigators determined that expenditures from the Taxi License Fund during the audited period were made in accordance with the law.

Funds were used for operational expenses including personnel services, fringe benefits, office supplies, vehicle repairs, and general operating costs.

Recommendations and Commission Response

The Inspector General issued 19 recommendations aimed at addressing deficiencies in medallion management, licensing procedures, inspections, enforcement staffing, and financial controls.

An exit conference was held on January 21, 2026, and the Taxicab Commission submitted its response on February 20, 2026.

The Commission agreed with the recommendations and outlined plans to digitize medallion records, strengthen internal controls, improve revenue tracking, and recruit additional staff.

According to the report, five recommendations have been resolved and implemented, while several others remain pending follow-up reviews to verify progress.

The Commission noted that it is currently undergoing a period of transition and rebuilding, with new leadership and efforts underway to fill critical vacancies. Officials also emphasized that funding remains a major obstacle to modernizing recordkeeping systems and restoring enforcement operations.